

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 3527 - SB 3525

March 5, 2010

SUMMARY OF BILL: Requires the Commissioner of Health or designee to serve as the state's representative, coordinator, and liaison on all local, state, and federal e-health related programs and initiatives unless specifically provided otherwise. Transfers the administrative responsibilities of the Tennessee Health Information Committee to the Department of Health from the Department of Finance and Administration.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$17,200/One-Time
\$619,300/Recurring**

Assumptions:

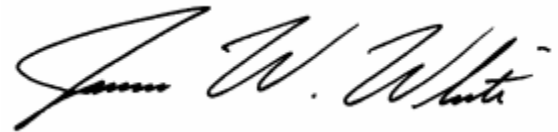
- According to the Department of Health, the Department does not currently have the infrastructure to administer and manage all e-health activities at the local, state, and federal level.
- The Department would need a program director to serve as the commissioner's liaison and manager of the program and an administrative services position to provide support.
- Due to the legal issues surrounding e-health because of HIPAA and other state and federal laws, the Department would need an attorney to provide legal support and guidance.
- Also, the department would need an accountant position in order to monitor and manage any federal grant funds and expenditures of the program.
- It is estimated that the four additional positions will result in an increase in recurring expenditures of \$369,295 which includes salaries (\$233,802), benefits (\$79,493), administrative services (\$31,600), communications and networking (\$5,600), office leases (\$16,400), and supplies (\$2,400). There will be an increase in one-time expenditures of \$17,200 which includes computers (\$6,400) and office landscaping (\$10,800).
- The Department estimates recurring information technology systems expenditures of \$250,000.

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- It is unclear how the proposed legislation will impact the Electronic Health Initiative within the Department of Finance and Administration. The proposed FY10-11 budget includes \$15,452,700 for the Electronic Health Initiative.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml